



North Carolina
State Historic Preservation Office
Department of Cultural Resources
Office of Archives and History
Division of Historical Resources

North Carolina State Historic Preservation Tax Credits Scheduled to Sunset at End of 2014

Owners and developers of historic properties in North Carolina should be aware that the state historic preservation rehabilitation tax credits **are scheduled to sunset or expire at the end of 2014.**

This scheduled sunset will affect **all three** of the state's historic rehabilitation tax credits:

- Income-producing properties (primarily commercial structures which also include rental residential)
- Nonincome-producing properties (primarily owner-occupied dwellings)
- The specialized historic mill tax credits

State Historic Rehabilitation Tax Credits (N.C. Gen. Stat. §§ 105-129.35 to -129.39)

For income- and nonincome-producing properties, the sunset provision of the law provides that the credit expires *“for qualified rehabilitation expenditures and rehabilitation expenses incurred on or after January 1, 2015.”* N.C. Gen. Stat. § 105-129.39.

State Mill Rehabilitation Tax Credits (N.C. Gen. Stat. §§ 105-129.70 to -129.75A)

The sunset provision for this program calls for state mill rehabilitation tax credits to expire *“for rehabilitation projects for which an application for an eligibility certification is submitted on or after [January 1, 2015.]”* N.C. Gen. Stat. § 105-129.75. Therefore, for mill projects planning to pursue tax credits, the SHPO must receive a written request for eligibility certification for a project by December 31, 2014, *and* by December 31, 2014, the subject property must satisfy **all** of the following conditions:

1. It was used as a manufacturing facility or for purposes ancillary to manufacturing, as a warehouse for selling agricultural products, or as a public or private utility.
2. It is a certified historic structure or a State certified historic structure*.
3. It has been at least eighty percent (80%) vacant for a period of at least two years immediately preceding the date the eligibility certification is made.

**This eligibility certification requires that the mill be a “certified historic structure” which requires the property’s listing in the National Register of Historic Places either individually or as a contributing building in a National Register Historic District. Since the process for listing a property on the National Register generally takes a year or longer, it is imperative that owners and developers of potentially eligible historic mill properties begin that listing process in 2013.*

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